

Town of Farmington
Budget Committee Meeting Minutes
Wednesday, May 22, 2019

Committee Members Present:

Jodi Connolly, Chairman
Stephen Henry, Vice Chairman
Sylvia Arcouette, Secretary
Neil Johnson, Selectmen's Rep.
Joshua Whitehouse
Heidi Mitchell
Jeremy Squires
Elizabeth Johnson
Angie Cardinal, School Board Rep.

Committee Members Absent:

Jason Lauze, excused
Samantha Place, excused

Others Present:

Arthur Capello, Town Administrator
Kathy Seaver, Town Clerk

1). Call to Order:

Chairman Connolly called the meeting to order at 7 p.m.

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Public Comment: None

4). Review of Minutes:

April 24, 2019 – Page 1, Committee Members Absent – add a “d” to “Boar” to read Linda McElhinney, Alternate School “Board” Rep.; add “excused” after Mr. Squires’ name

Motion: (N. Johnson, second Arcouette) to accept the minutes as amended passed 7-0-2 (Whitehouse, E. Johnson, N. Johnson, Connolly, Mitchell, Arcouette, Henry-in favor; Squires, Cardinal-abstained).

5). Review Town Reports:

Remittance Report - Mr. Capello said that Town Clerk Kathy Seaver came to the meeting because the committee previously asked for an explanation about the taxes paid throughout the year and why they don't show up on the reports. He gave the members a copy of a handout outlining what was outstanding as of 4/30/19 and then by month for what has been remitted and is still outstanding dating back to 2015.

Ms. Mitchell asked why they see a number in January for taxes and then the numbers are zeroed out going forward.

Mrs. Seaver said the Remittance Report (1/1/19-4/30/19) shows exactly what is taken in and it accumulates. Page 2 of the report shows a remittance total of \$2,990,138 taken in taxes since January 2019 and how much was for principle and interest she said.

Ms. Mitchell asked how much was billed out.

Mrs. Seaver said the warrant articles are not included in the report because that is not revenue until it comes in.

Ms. Mitchell said the Town has to build its budget off of something.

Mrs. Seaver said that the budget is built around all of the revenues except tax revenue and then whatever is left-the difference between the budget and the revenues is what you have to tax. It's the same with the schools-you have the school budget and the school revenues and whatever is left has to be paid by tax collection she said.

Ms. Mitchell said they know how much was sent out in tax bills as they were just sent out.

Mrs. Seaver that amount is not revenue until it comes in so it is not shown in this report.

Ms. Mitchell asked if it's shown someplace as anticipated revenue and where it could be found.

Mrs. Seaver said it is not a budget item so it is not on their budget sheets.

Mr. Capello said that information is listed on the MS-737 sheet.

Mrs. Seaver said the Finance Administrator would have it on her monthly reports that would be put together at the end of the year for the Tax Collector's Report (MS-61) and that she receives a warrant instructing her to collect the total amount of taxes.

Ms. Mitchell asked if they are anticipating \$5 million in property taxes and only taking in \$3 million.

Mrs. Seaver said the total amount is in the Town Report and there was \$11,551,887 in property taxes due. She said 4.1% went uncollected last year and notices were sent out and then lien notices were scheduled to be sent out the following week.

Ms. Mitchell asked if that is from the taxes someone didn't pay from December.

Mrs. Seaver said it would be anything that was due in 2018. She said in a month when they have a lien and then there is nothing left to collect, they will see all zeroes because it has become a tax lien and they are done collecting taxes on it. That 4.1% (approx. \$400,000) is now down to 3.8% this week and will be down to 3% or under next month and traditionally that is what goes to lien each year she said.

Mrs. Seaver said twice a year she gets a warrant stating how much taxes she can collect.

Ms. Mitchell asked if twice a year she could get that number reflecting how much has been collected directly from Mrs. Seaver and when the form is received.

Mrs. Seaver explained that the form she receives tells her how much taxes and interest she can collect starting on a certain date and it is signed by the Selectmen. She said that she just received one form and the other is typically received in Nov. and the information is available directly from her office once the forms are received.

Ms. Mitchell said the April 2019 report showed that some revenue from May 2018 was taken in. She asked if they take something from the previous fiscal year if that number would show anywhere but on that line because it goes toward what was owed for May.

Mrs. Seaver said the liens look like they are higher than what actually went to lien because

what goes to lien are property taxes, yield taxes, land use change taxes, excavation taxes, all of the unpaid water and sewer bills and all of the interest, costs and fees that went into late collection. You might have \$300,000 in taxes owed but my lien is \$500,000 she said.

She said when the tax rate is set so much goes to the school district, the county and to the Town. When we start collecting it we have to pay the school district and the county before we collect it. The same thing occurs with the water and sewer depts. and then water and sewer has all their money but we have a lien she said.

Ms. Mitchell asked Mr. Capello when the Town budget is put together if he looks at what was taken in the previous year.

Mr. Capello said he doesn't look at the taxes but at the revenue that was taken in because the taxes will change every year because it is the difference between the anticipated revenue and the budget. He said if he anticipated \$10,000 in revenue and the budget was \$20,000 they would have to collect \$10,000 in taxes to make up the difference.

Ms. Mitchell said this is different from the vehicle registration line where they base it on what was taken in last year.

Mrs. Seaver said they change the amount at the end of the year and this year it will definitely change as collections are "through the roof" on motor vehicles. By then we may have \$250,000 more than anticipated and we won't have to collect that amount in taxes she said.

Mr. Capello said a Revised Revenue form is done in Nov. just before the tax rate is set that goes to the NH Dept. of Revenue Administration (DRA).

Ms. Mitchell asked what this form is called and if they could see it somewhere.

Mr. Capello said the form is called the MS-434 and is included in the Annual Town Report. He said the revenue report is done ahead of time, then an Adjusted Revised Revenue Report is done before they set the tax rate and they also get one when the highway block grant and the meals and rooms taxes are determined he said.

Mr. Johnson said from a Budget Committee standpoint it is a hard concept because you have budgeted amounts and the expenses are tracked against it. But with the tax collection it is completely opposite because it is offset by everything you are going to collect and that number will change.

Mrs. Seaver said they try to work with people to not take their property away from them but they have been taking 3 or 4 properties a year because they stop paying taxes. She said they send out about 100 notices to people in danger of losing their property and there are also about 20 properties that the Town won't take because they are in hazardous condition.

Ms. Mitchell asked if she meant they don't want to take responsibility for hazardous properties.

Mrs. Seaver said the state allows the Town to not take any hazardous properties that may be contaminated such as the Davidson landfills and old garages filled with hazardous materials.

Ms. Mitchell asked if those properties are just taken off the tax roll.

Mrs. Seaver said they are just carried along on the tax roll and that is why you'll see on the tax

liens there is stuff unpaid but not taken by the Town and we won't take them until they are not hazardous anymore.

Mr. Capello said a good example is the appliance place on Main Street that the Town could have taken several years ago but they needed to first check to see that the Town wasn't going to end up with a mess it would be liable for.

Ms. Mitchell asked if the Town is getting nothing or if someone is paying something toward the property taxes for that building.

Mr. Capello said the Town is getting nothing and the only time the Selectmen will take a property is when Mrs. Seaver's office has worked diligently with someone and they do nothing.

Mrs. Seaver said they have many payment plans and sometimes they hound the property owners a few times. Some people call to explain why they can't make their payment this month and we try to get them to pay a little extra for the next 3-4 payments to catch up. As long as they are being diligent we're not going to take their house away from them she said.

Ms. Mitchell asked if the older dates on the Remittance Report are from hazardous properties.

Mrs. Seaver said the older dates were payments to a payment plan (i.e. \$184 paid on a 2005 tax lien) and the Town does not receive anything from the hazardous properties.

Mr. Henry said the liens are still accruing interest and the debt is still there so when the property changes hands the Town will collect money.

Mrs. Seaver agreed and said if there is clean-up of the property it's one the Town will get.

Mr. Johnson said the Town will eventually get something whether or not if it's the full amount.

If you look on the Remittance Report you will see it goes back to 2005. Those are the ones there are liens on and that we may get only \$10 a month payment he said.

Mr. Capello said Farmington has approx. \$6 million in property values that qualify for elderly exemptions.

Mrs. Cardinal said that a page in the Town Report that shows the break down for exemptions.

Mr. Henry asked if you just reach a certain age and don't have to pay property taxes.

Mr. Capello said there are certain qualifications that were set by a Town Meeting vote and the applicant has to prove income, assets, etc. There is approx. \$300,000 in war credits that we give also he said.

Mrs. Seaver said for example, her 88 year old mother owns a single-wide mobile home on her own land with a property value of just under \$100,000. She only has Social Security income and no other assets but a car so she qualifies income and asset wise to not pay any taxes she said.

Ms. Mitchell asked if people are directed to exemptions when they call up and say they can't pay their taxes.

Mrs. Seaver said she directs them to the Assessing Clerk because it is an assessing issue and that the information regarding exemptions is also found on their tax bill.

Mr. Capello said there is an application that has to be filled out to qualify for exemption.

Mr. Johnson said the requirements for Town exemptions are pretty strict including a \$50,000

limit on the value of their total assets.

Mr. Whitehouse asked if the state sets the limit on the total value of the person's assets.

Mrs. Seaver said each town sets its own limits on the total value of assets but it can't go below the \$25,000 threshold set by the state.

Ms. Mitchell asked when Mrs. Seaver gets the warrant if they take into consideration any exemptions made.

Mrs. Seaver said when the tax rate is set it takes all of that into consideration and they have a reduced tax.

Mrs. Cardinal said the date that the first half of 2018 property tax was billed out was May 2018 and the second half was sent out in the first week of December.

Mrs. Seaver said the second half bill was due Jan. 7 so she assumed it was mailed on Dec. 7 as they don't do the actual physical mailing.

Mrs. Cardinal said that Mrs. Seaver said the Town has to pay out before it gets the money in. She said using the school district as one example of where the Town pays out, there is a draw down schedule that is agreed upon and any time the draw down schedule is too aggressive or for some other reason you want to combine payments it gets negotiated between the SAU and the Town office. She asked what time period the second half property tax that was billed out on Dec. 7 was to pay for.

Mrs. Seaver said the tax year runs April 1 to March 31 but the fiscal year is Jan. 1 to Dec. 31. The first bill that goes out goes from April 1 to Sept. 30. The second bill goes from Oct. 1 to March 31 she said.

Mr. Henry said the bill he gets in Dec. is for Oct. to March.

Mrs. Seaver said that is correct.

Mr. Capello said it goes to March of the following year (Oct. 2018-March 2019).

Mrs. Seaver said you are billed in the middle of the period the bill covers.

Mrs. Cardinal said this is extremely helpful with relaying the importance of deadlines to the SAU office. She asked if the full year tax liens shown included the principle only for the lien amounts.

Mrs. Seaver said it includes the water, sewer, principle, interest, costs and fees up to that point.

Mrs. Cardinal turned to the cover page of the handout and the amount outstanding as of April 30, 2019 (\$207,593) for the 2018 first half property tax and asked if this number was included in the outstanding amount for the second half property tax or if the numbers were compounded.

Mrs. Seaver said that amount is not included and the numbers shown are not compounded. She said they had \$207,000 plus \$261,000 which is 4.1%. As of Monday it was 3.8% she said.

Mrs. Cardinal asked about the burden of deciding what to do about the approx. 20 undesirable properties that the Town doesn't want to take but at the same time they are still on the books. She asked if the burden falls on local decision makers and if there is any help with this.

Mr. Capello said decision to take a property or not falls on the Board of Selectmen.

Mrs. Seaver said the state says there are hazardous and liability situations where the Town

does not have to take the property as it will cost more to take care of it than it is to not be collecting it. We don't tell people if we don't take it you don't have to pay. We tell them you still have to pay even if it is something we really don't want because it's a liability she said.

Actual & Anticipated Revenues – Mr. Capello said the Town's revenues may be affected by a Superior Court decision that said after 3 years and the Town takes a property it's unconstitutional to keep any profit on the sale of the property and it has to go back to the previous owner. He gave an example of where if the Town took a house for \$10,000 and then 3 years later sold it for \$13,000 the extra \$3,000 would be revenue for the Town but the recent court decision says that \$3,000 has to go back to the previous owner. It will probably be appealed to the Supreme Court and legal counsel has advised if the Town sells anything they should put the money in escrow until the outcome of the appeal is determined he said. Mrs. Connolly asked if the profit should go to the Town for lawyer's fees and related costs. Mr. Capello said that the profit would be anything over and above the costs to the Town. He said the Town doesn't usually make a huge profit on the sale of property but it could affect the revenues until this gets flushed out.

Mr. Squires said if the law "sticks" they could just sell it for what was owed to the Town.

Mr. Capello said the Town would still attempt to get the highest bid on a property but if the sale price was over and above anything owed to the Town, including taxes, legal fees, interest, etc. it would have to be returned to the previous owner.

Mr. Henry said the Town still has an obligation to get market value for the property. An auction determines market value he said.

Mr. Capello said they have the ability to go out for sealed bids but they don't have to go to auction.

Mr. Henry said if the Town had a \$500,000 property and sold it for the \$100,000 that was owed on it...

Mr. Johnson said they could sell the property for \$1.98 if they wanted to. There is no restriction on that he said.

Mr. Henry said he thought they would see a court challenge if they did that.

Mr. Capello said that typically what the board has done is he will bring them what is owed in back taxes, the board will look at the assessed value of the property, conditions of the property and set a minimum bid.

Mr. Johnson said that usually they don't even get what's outstanding to the Town. We get partial payment for the taxes and the rest basically gets written off he said.

Mr. Capello added that the property then gets put back on the tax rolls.

Farmington Parks & Recreation – Anticipated Revenues Report & Budgeted Expenses Report-
There were no questions on either report.

Actual & Budgeted Expenses & Encumbrance- General Fund - Mr. Capello said the advertising line will be overspent due to having to do 2 rounds of advertising for a Town Planner as well as

advertising for the DPW seasonal workers. He said they try to do as much advertising as they can through the job websites but for positions such as the Planner they typically use the Foster's newspaper.

Mr. Capello said the committee had previously asked about Workers' Compensation expenditures and explained that after they set the rates and put it in the budget Workers' Comp notified the Town that we were getting a \$57,000 rebate on the insurance. He said he talked about this during the discussion on the anticipated revenues when the budget was being developed. The Town also qualified for the Prime Program with Primex which will result in a 2.5% discount or about a \$7,500 savings next year depending on the rates he said.

Mr. Whitehouse asked what the rebate was due to.

Mr. Capello said it was due to Primex's actuaries' review of their liabilities each year and if there is too much money there they send it back to us.

Mr. Johnson said the 2.5% discount was due to them reviewing and tweaking the Town's policies, sending employees to training sessions to mitigate insurance claims and then they give the Town that extra percentage for participating in those programs.

Mr. Henry asked if every Primex customer got some level of rebate.

Mr. Capello said he did not know.

Mr. Henry asked if it was due to a payroll audit and the payroll was less than anticipated.

Mr. Capello said it was not due to a payroll audit and that the rebate was on the liability and unemployment insurance costs.

Page 14, Line 01-4933-10-911 Taxes Paid to School Districts- Mrs. Cardinal said this report is as of April 2019 and read aloud that all of the columns were populated with zeroes. She said the School District reports show the balance is zero so all of the Town's payments to the school are up to date for the current school year so there shouldn't be anything encumbered. The school reports show that \$194,648 has been received for the month of April and that should be shown as a portion of the total YTD received by the school because it is on the school's fiscal year. It should be showing as a Current Year Expenditure on this report Jan. 1 through April 30 she said. Mr. Capello said he would get clarity on this issue.

Line 01-04931-10-912 Taxes Paid to County -Mr. Johnson asked Mr. Capello to get clarity on this line too as it is also populated with zeros and that he knew that the bill was paid. He then recalled that this bill is paid once a year at the end of the year so it would not have been paid yet for this year and retracted his request for an explanation of this line.

Mr. Henry asked if it should still show a budgeted amount for the line.

Mr. Capello said they don't know what the amount would be as the county has not set their tax rate yet because they are on the same fiscal year as the School District.

Mrs. Cardinal said that maybe a once a year payment could be reflected this way but the payments to the school are twice monthly payments.

Mr. Capello said the amount will be known in Nov. when they set the Town tax rate. The first

half bill is an estimate for the county taxes similar to the Town because they haven't set the actual tax rate based on revenues and expenses. The county works similar to the Town in that they will have to produce a warrant, send it to the Selectmen for signatures and the payment is due by Dec. 15 he said.

Mr. Henry asked if the county tax bill that is to be paid by Dec. 15 would be for 2019 or 2020.

Mr. Capello said it would be for their 2020 fiscal year because their fiscal year runs from July 1 to June 30.

Mrs. Connolly said we have already paid them for 2018-19.

Mr. Capello said that is correct and noted that he drove the check down to the county office.

Mr. Henry asked if the county starts spending money in June that was billed the previous Dec.

Mr. Capello said that is correct.

Ms. Mitchell asked if the way we do our taxes is this a "Town thing" or if it is done by towns and cities statewide.

Mr. Capello said it is the same for everyone.

Mr. Johnson said Towns with charters operate under different rules but that for 90% of the cities/towns in the state have similar arrangements.

6). Review School Reports:

All Funds – Revenue Report – Page 2, Line 22, Transfer From Bldgs. & Ground and Line 23 , Transfer From FHS Construction - Mrs. Cardinal said these were the 2 warrant articles specific to the roof repairs and replacements. She said the actual work costs came in way under the anticipated estimates they used when building the warrant articles. Where you see an amount remaining, we can't adjust it to down to zero because the warrant articles said a certain amount but those will not be pulled or requested from the Trustees of the Trust Funds. She asked the members to disregard those 2 numbers when looking at the bottom line.

Mr. Henry asked if these were the ones where they couldn't do additional roof repairs because the roofs were specified in the warrant articles.

Mrs. Johnson said that Superintendent Ruth Ellen Vaughn explained this at a previous meeting.

Mrs. Cardinal said this was not due to an error in the warrant articles.

Mr. Henry said the way the warrant articles were worded it created limitations because it identified the roof sections (to be repaired or replaced).

Mr. Johnson said it specified the specific work to be done and it couldn't be expanded upon if they wanted to fix another area of the roof. He said all this means is that they can keep the money in the trust funds and use it for repairs next year.

Mrs. Cardinal said that is correct.

Mrs. Connolly asked if the intention of those warrant articles has been met.

Mrs. Cardinal said their intentions have been met as all of the work has been done for this fiscal year so any monies that were reimbursed from the trust funds have already transferred over and no more is going to transfer over from the trust funds this fiscal year. Those 2 amounts

(\$34,000 on line 22 and \$250,482.35 on line 23) should be treated as zero under the Amount Remaining column she said.

Mr. Henry asked if those were the amounts under budget.

Mrs. Cardinal said that is correct and those amounts will not be requested from the trust funds and will not be transferred in therefore the bottom line for the amount remaining for All Funds Revenue of \$1.4 million is inflated because of the dollar amounts they will not be asking the Trustees of the Trust Funds for are not coming.

Mr. Henry said this was quite a bit under budget at almost half the cost of the roof project.

Mrs. Cardinal said she thought it was a combination of the pieces of work that weren't done and cost of the work completed was less than initially projected when they were building the warrant articles.

Mr. Henry asked if there was work that wasn't done.

Mrs. Cardinal clarified that she meant it was partially due to the sections of the roof that couldn't be addressed because of the wording of the warrant articles.

Mr. Henry said he didn't want anyone to get the impression that there was work in the plan that wasn't done and noted that there is multi-year plan for the roofs.

YTD Expenditure Report –Grants Special Revenue Funds – Mrs. Connolly asked if there were any funds the district is not receiving that they originally thought they would receive.

Mrs. Cardinal said there is nothing new other than what was mentioned by Superintendent Vaughn and Business Administrator Janna Mellon when they attended the March Bud Com meeting and spoke about some unexpected revenues. Nothing affecting the current fiscal year is changing she said.

Mr. Whitehouse asked about the status of the FAMEE program.

Chairman Connolly asked that this discussion take place under Old Business.

General Fund 10 YTD Expenditure Report – Mrs. Connolly said she found a number of lines that were over expended in this report. She said this was especially true in the Information Services section of the budget (Page 32) where Line 828, Salaries is over spent by \$10,000 and Line 848, Equipment, Replace, Refresh is over by \$30,000 and asked Mrs. Cardinal to explain why the lines are over spent.

Mrs. Cardinal said the over/under column is in comparison to the amount budgeted for fiscal year 2018 -19. At the time that the budget was prepared there was a different IT Director and the current IT Director has greater qualifications and experience so in order to hire her they had to bring her in at roughly a 10% higher salary. The budgeted amount was under budgeted in accordance with the person we actually have doing the job she said.

She said the School Board authorized the over expenditure of the equipment line due to the gross inefficiencies of the networking and server capabilities in order to support the School District. That was over multiple years of degradation of the maintenance, licensing, connectivity requirements, firewall needs, etc. related to cyber security and networking overhaul that

happened this school year. The short answer is it was under budgeted she said.

Mrs. Arcouette said that a few months ago when the Business Administrator Janna Mellon attended a Bud Com meeting with Superintendent Vaughn she said some things were going to be changed around. She asked if the reason for some of the over expenditures was because some items were not in the correct lines and that the budget was going to be overhauled.

Mrs. Cardinal said Ms. Mellon was speaking specifically to the salaries/benefits as shown in Behavioral Services versus Special Education. She said Ms. Mellon's explanation applies only to the overages and under-ages in those two areas of the budget.

Page 31, Transportation Repairs- Repairs, Bus -Ms. Mitchell asked about the over expenditures for bus repairs.

Mrs. Cardinal said it was because the new bus came in without locking doors as standard equipment. The bus has to be locked when not in use so that was an initial repair as soon as we received it. Documentation has been noted so that the next time we go to purchase a bus we will make sure that the Request for Proposal includes locks she said.

Page 6, Line 172, Tuition SPED Private-HW – Mrs. Connolly said this line is over spent by more than \$124,000 and asked if this is for students attending a special school.

Mrs. Cardinal said this line reflects the unanticipated out of district placements.

Mrs. Connolly asked for the number of out of district placements at this time.

Mrs. Cardinal said there are a total of 12 students district wide attending out of district schools but she did not have a breakdown of the number of student placements for each school. She said some of the out of district placements are court ordered and some are according to the student's needs and what the district is able to accommodate.

Mrs. Cardinal added that one of the reasons for the Public Hearing held at a recent School Board meeting was to expend funds from the Special Ed Fund to cover that cost.

Mrs. Connolly said that the district is spending about \$640,000 for out of district placements.

Mrs. Cardinal said this is in line with what was spent last year and what was adopted for a budget for the current fiscal school year. She said they expected some students to come out of that status because they are not assigned to our district anymore or because they were able to find less expensive accommodations but then they had unanticipated new needs.

Mr. Henry said it looks like the current budget is lower than what was spent last year for out of district placements. He said the revised budget column shows \$50,000 (HW) and \$597,000 (FHS) versus \$136,000 (HW) and \$577,000 (FHS) the previous year.

Mrs. Connolly said he didn't add in the \$42,000 for Valley View to get the total placement cost.

Mr. Henry said Special Ed tuition is trending down even though there are some unanticipated expenses. He asked if there is enough in the Capital Reserve Fund to cover the tuition costs.

Mrs. Cardinal said there is enough in the CRF to cover those costs.

Mr. Henry asked if she knew the number of students who have returned to the district versus the number graduating.

Mrs. Cardinal said she did not recall and would get back to Mr. Henry with an answer.

Page 6, Line 155, Contracted Services – Mrs. Arcouette asked why this line is over spent.

Mrs. Cardinal said it could have been under budgeted or something unanticipated could have happened so she would have to get back to Mrs. Arcouette with an answer to her question.

Mr. Henry asked if over expenditure could be due to hiring MRI for the SAU.

Mrs. Cardinal said it was not as that expenditure would not be included in this line.

Page 13, Line 329, Salaries, Nurse, VV - Mrs. Arcouette asked if an extra nurse was hired at the Valley View elementary school.

Mrs. Cardinal said the budget was designed around the nurse that retired and they hired a new nurse to replace her at Valley View.

Mr. Whitehouse asked if there was a difference in salary between the previous nurse and the new nurse.

Mrs. Arcouette said this salary line is over expended by \$10,000 and asked if the new nurse is paid at an increased price.

Mrs. Cardinal said that must be because there is only 1 nurse at Valley View.

Mrs. Connolly asked at what point in the year this new person came in.

Mrs. Cardinal said she would have been hired over the summer as she was there at the beginning of the school year. The budget for this line was set in Oct. /Nov. 2017 she said.

Mr. Henry said it looks like the position was budgeted for less than the previous year. The previous year was \$57,593 and the adopted budget is \$40,029 he said.

Mrs. Cardinal said she thought the encumbrance shown for this line is high (\$15,591) and that she would check into it.

Mrs. Arcouette said there are a lot of high encumbrances in the report.

Mr. Henry said it may just be a number they plugged in for budgeting purposes as he believed they use an average wage on the salary scale to budget for a new hire they don't have yet.

Mrs. Cardinal said she did not think they were aware of the nurse's retirement at the time the budget was built so they wouldn't have done the budget any differently and would have put in the salary for the existing individual with where they were on the salary range.

Mr. Henry said the adopted budget for this position was quite a bit less which makes him think they knew this retirement was coming.

Page 29, Line 757, Transportation, Homeless – Mrs. Connolly asked for the number of homeless students in the district and where they are coming from.

Mrs. Cardinal said it is approx. 40 kids as defined by the McKinney-Vento (Homeless Assistance) Act.

Day Tank Removal Cost – Mrs. Cardinal said the oil tank at Valley View School is underground and there is a 15 gallon reservoir attached to the side of the building that is like a holding tank for the oil as it is pulled through. The state has deemed the reservoir as an unacceptable design and given the district a quick turn-around date to rectify the matter she said.

She said the school district applied for an extension of the date because they can't interrupt the ability to heat the school during the heating season. It's about a 2 day operation to complete the work at a cost of about \$40,000 including the inspection and there are few companies that can do this work she said.

Mr. Henry asked if this price was just to remove an oil tank.

Mrs. Cardinal said the cost is to remove the reservoir and to dig underground to re-channel the piping. She said they have decided to spend a little up front to get a customized solution that is expected to reduce the total cost before moving forward with the project. There are funds in the Building and Grounds Trust Funds so the School Board will be holding a Public Hearing to consider expending funds for the project from the trust fund she said.

Mr. Henry asked about the purpose of the reservoir.

Mrs. Cardinal said she did not know and that Facilities Director Larry Gordon should be able to answer the question.

Mr. Johnson he was sure the School Board was of the same opinion that this seems like an awful lot of money for the removal of an above ground 15 gallon tank.

Mrs. Cardinal said there will also be some electrical work along with the removing the tank and rechanneling the oil supply and that the inspection alone is very costly.

Mr. Johnson asked if the system is leaking.

Mrs. Cardinal said it is not leaking and what triggered all of this was a state wide review of what types of oil supply everyone has and anyone who has this type of reservoir attached to the building must get rid of it.

Mr. Henry asked if this applies to schools only or for any heating system set up like this.

Mrs. Cardinal said she did not know.

School Audits – Mrs. Cardinal said the SAU has the draft of the 2018 audit and it is a "clean" audit (no new findings). All of the findings in the 2017 audit have been corrected and corrective actions are in place to the Auditor's satisfaction so they are issuing the final report. Some recommendations for other corrective actions are being worked on so it is good news she said.

Mrs. Connolly asked when the final draft will be posted.

Mrs. Cardinal said they had hoped to post it this week but with the holiday, others out of the office and the work load on the SAU office in the last 2 weeks it is looking more like mid-June.

Mr. Henry asked about the difference between findings and recommendations.

Mr. Johnson said recommendations are what the Auditors would like to see to clarify any inconsistencies or misinterpretations. He said it is like saying we don't have a problem with what you've shown us but here's what you can do to improve it.

Mrs. Cardinal said some other items that will be included in the report will be some new pronouncements coming from the Governmental Accounting Standards Board (GASB). The pronouncements are about raising the bar for all Auditors in what they want them to look for

especially with government funds. We will have to go through our policies and make sure that they are putting measures in place to accommodate the new pronouncements she said.

7). Old Business:

FAMEE Update – Mrs. Cardinal said the 21st Century Grant is still denied. She said the School Board held a meeting this past Monday to meet with local organizations associated with the county to hear their offerings for summer child care and after school care. Neither of those would be something the School District needs to tether itself to and would simply be for use of the facilities. Using our current practices, policies and forms we can move forward and connect families that currently use FAMEE with those 2 organizations and the Town Rec. Dept.'s after school and summer programs so that the families know what their options are. The costs are not as low as what FAMEE was able to offer because the 21st Century grant was a huge component of the School District/FAMEE being able to offer the program at a low cost she said. Mrs. Cardinal said the School Board directed the staff to get the families while they are still attending FAMEE this week and connect them with representatives of all 3 options so they can apply and discuss the pro's and con's of each option.

She said some organizations will be picking up the kids at the school district and transporting them to their facility and some will be using the school district's facilities and having it right on-site. We are trying to set everybody up for success knowing that individual needs can't be met with one option most of the time she said.

Mrs. Connolly asked what the cost for the 3 programs would be to the school district.

Mrs. Cardinal said it would cost the district nothing and when they do the facility use form any additional cleaning or supplies needed would be worked out for payment from the organization to the school district. She added that in the following years the 2 county organizations are licensed to apply for the 21st Century grant funding directly and if it is awarded the cost to families would drop.

Mr. Henry said Mrs. Cardinal said they are asking families this week because FAMEE wraps up the next day on Thursday (no school on Friday).

Mrs. Cardinal said that is correct. She said she recalled a question at the last meeting about there being enough money for the program and said it is about the FAMEE staffing. She said they would like the staff to stay but there is no interest in the positions that were posted to keep the program going until the end of the school year. We don't have folks who want to join an after school program that is going to end very shortly she said.

Mrs. Connolly asked if the person that was doing it didn't stay.

Mrs. Cardinal said the Director and other positions have resigned.

8). New Business:

Superintendent Services- Mr. Henry asked what the district is doing for Superintendent services now (while Superintendent Vaughn is on administrative leave).

Mrs. Cardinal said Director of Student Services Diana DeNitto has been designated as the Superintendent-designee during Mrs. Vaughn's administrative leave.

Mr. Henry asked if the district has to contract out for other Superintendent services.

Mrs. Cardinal said it would not be necessary in the short term.

2019 School District Warrant Issues – Mrs. Johnson asked if the issues from the March 19th Non-Public Session were fixed yet.

Mrs. Cardinal said she hasn't received final word whether the solution being discussed with the DRA was acceptable or if they need to do something different.

Stipend - Mr. Henry asked if Mrs. DeNitto was getting an additional stipend for the extra work as Superintendent-designee.

Mrs. Cardinal said that has not been explored yet.

Last Day of School - Mrs. Connolly asked how many weeks of school are left.

Mrs. Cardinal said the last day of school is Monday, June 17.

9). Next Meeting: Wednesday, June 26, 2019 at 7 p.m.

10). Adjournment:

Motion: (N. Johnson, second Arcouette) to adjourn the meeting passed 9-0 at 8:10 p.m.

Respectively submitted

Kathleen Magoon

Recording Secretary

Jodi Connolly, Chairman